

SERVICE DATE – LATE RELEASE MARCH 23, 2018

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36007

CENTRAL GULF ACQUISITION COMPANY—ACQUISITION AND OPERATION
EXEMPTION—CG RAILWAY, INC.

Decided: March 23, 2018

On April 4, 2016, Central Gulf Acquisition Company (CGAC) filed a verified notice of exemption pursuant to 49 C.F.R. § 1150.31 to acquire certain assets from CG Railway Inc. (CGR), a Class III rail carrier, and to operate an intermodal rail/water transportation service across approximately 1,000 miles of the Gulf of Mexico, between the Alabama State Docks in Mobile, Ala., and Coatzacoalcos, in Veracruz, Mexico.

In a decision served May 3, 2016, the Board held this proceeding in abeyance and directed CGAC to supplement its notice. Because it appeared that CGAC was seeking to acquire and operate a railroad car ferry service across international waters and into foreign territory, the Board directed CGAC to clarify that it was requesting that the Board exempt the transaction only insofar as it applied to transportation in the United States. The Board stated that CGAC should also indicate whether CGR ever received the Board's authority to operate its railroad car ferry service and, if so, provide the details of that authorization. Lastly, the Board requested a map that more clearly indicated the areas to be served pursuant to 49 C.F.R. § 1150.33(f).

On May 9, 2016, CGAC filed its supplemental submission, providing the additional information and apparently modifying its notice to seek authority to acquire and operate only the 2,850 feet of rail track identified in its original notice of exemption but no authority for transportation over water.

In an effort to update the Board on the progress of matters in this proceeding, CGAC will be directed to file a status update no later than April 6, 2018. CGAC shall inform the Board whether it plans to pursue the transaction reflected in its notice for exemption (as modified by its supplemental filing),¹ or whether the Board should dismiss this proceeding.

¹ After CGAC supplemented its notice, counsel for CGAC advised the Office of Proceedings that CGAC was no longer certain that it wished to move forward with the contemplated transaction and indicated that further information confirming CGAC's plans would be forthcoming. Based on this representation, the Board postponed issuing its decision.

It is ordered:

1. CGAC is directed to file a status update no later than April 6, 2018.
2. The decision is effective on its service date.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.